

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON

17 August 1948

MEMORANDUM FOR: Allen W. Dulles
William H. Jackson
Mathias F. Correa

1. I am enclosing a number of papers which I hope will be useful for our next meeting, which is tentatively set for ~~Monday~~ evening, the 21~~st~~st.

2. These papers include the following:

- (a) A tentative agenda, which will probably be somewhat changed before ~~Monday~~^{Tuesday} meeting.
- (b) A report by Mr. Sprague, "Research and Intelligence, Department of State", which is a summary of Sprague's findings and recommendations, although it is not yet in the form of draft chapter for the final report.
- (c) A report on "Intelligence Implications of the Bogota Uprising", originally prepared by me some time ago and just recently put into final shape.
- (d) A memorandum prepared by me, "Notes on Questions to be Considered in the Conclusions of the Survey Group Report". This summarizes some of the principal issues which we will have to face in drafting our final conclusions.

*This will be
sent tomorrow* →

25X1

3. [] is now completing a summary of his findings and recommendations in regard to Air Force intelligence, and I hope to bring his report with me on ~~Monday~~^{Tuesday}.

4. You already have some of the other papers which I think we should review at our meeting, particularly the "Tentative Outline for Final Report" and the "Draft Outline for the Chapters on the Departmental Intelligence Agencies". *

State Department review completed

Robert Blum
Robert Blum

Enclosures
As listed above

* Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

SECRET

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6 #3

TENTATIVE OUTLINE FOR FINAL REPORT

The following outline sketches the content of a comprehensive final Survey Group report which could be classified "secret" and submitted to the National Security Council by 1 January 1949. It will probably be necessary to submit additional special reports at the conclusion of the Survey dealing with personalities or with particularly delicate matters. It may also be necessary to prepare a brief summary report which would be available for Congressional Committees and, if necessary, released to the public. Although if we come to a complete agreement with the Eberstadt group their report might take care of this.

The following sketches the contents of the various chapters of the proposed comprehensive report:

Preface: Terms of Reference of the Survey Group

(1) A statement of the terms of reference included in the two memoranda from Mr. Souers, the first one providing for the survey of CIA and the second one providing for a survey of the Departmental Agencies.

SECRET

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

SECRET

-2-

(2) A brief discussion of how these terms of reference have been interpreted; the purpose has been to make a comprehensive examination of our national intelligence structure and operations, as created by the National Security Act and developed in the individual Departments. This has involved a detailed examination of CIA, which was created as the coordinating agency for intelligence, and an examination of the departmental intelligence agencies in order to determine their scope in the field of intelligence and evaluate their relations to each other and to CIA.

(3) A brief statement of the procedure followed in conducting the Survey and in submitting reports, including an explanation of the interim reports which have been submitted, and of the reasons for preparing one comprehensive report.

PART I - PRESENT ORGANIZATION FOR NATIONAL INTELLIGENCE

Chapter 1. The Background of Our Present Organization for Intelligence

This chapter would provide an orientation in the problems which have led to the present intelligence structure and would seek to

SECRET

SECRET

-3-

identify the principles which determined the set-up we now have.

Reference would be made to the following points:

- (1) The emphasis on intelligence as a result of our experience during the war, beginning with the alleged intelligence failure that contributed to the Pearl Harbor disaster.
- (2) Our traditional neglect of intelligence in the Service Departments.
- (3) Our traditional neglect of espionage and other forms of clandestine operations.
- (4) The wartime experience (fortunate and otherwise) with a "central intelligence agency", the Office of Strategic Services.
- (5) The need to develop an intelligence organization more suited to our post-war responsibilities and power and the examination of this problem in conjunction with the reorganization of the Military Establishment.
- (6) The principal studies made of this problem and the course of its handling: the Donovan proposal, the Joint Chiefs of Staff

SECRET

SECRET

-4-

Studies (JCS 1181 series), the Bureau of the Budget Report, the McCormack Report, the Lovett Board Report, the National Security Act of 1947.

(7) The historical development from OSS through SSU, State Department intelligence set-up, CIG, CIA.

(8) An analysis of the principal issues which were debated during the development of the present set-up and a statement of the principles which were finally decided upon.

(a) The reason why it was felt that a central agency was necessary (its functions of coordinating intelligence activities, coordinating intelligence estimates, and providing certain central common services, including the collection of intelligence.

(b) The position of the central agency in the national structure (its relationship to the President, Joint Chiefs of Staff, National Intelligence Authority, National Security Council, Departmental Secretaries.)

SECRET

SECRET

-5-

(c) The functions of the departmental intelligence services and their relations to the central agency.

Chapter II. The Elements of a Sound Intelligence System

This chapter would attempt to analyze and develop standards for a national intelligence system against which we can measure what we now have and make recommendations for improvement. The following are some of the points which would have to be discussed:

(1) An analysis of the concept of a national intelligence system and of the position of a central intelligence organization. This would include an examination of the following problems.

- (a) The role of departmental intelligence in wartime and peacetime, Washington and overseas.
- (b) The need for coordination of intelligence activities.
- (c) The need for coordination of intelligence opinion.
- (d) The need for providing certain common central services, including the collection of secret intelligence.

SECRET

SECRET

-6-

(2) What should be the structural relationship of a central intelligence agency to the policy-making agencies of the Government in order to determine who should control the central agency and how the need for independence in the central agency is to be reconciled with the need to make its work relevant to operational requirements and of use to the policy makers. This will require an analysis of the concept "intelligence is a function of command" and a determination of its relevance to our present problems.

(3) The question of personnel and leadership in intelligence, the proper balance between civilian and military participation and the need for trained professional personnel.

(4) The need for security and how this is to be met.

(5) The relationship of secret intelligence collection to the functions of coordination and whether these should be combined in the same organization.

(6) The relation of secret intelligence to secret operations.

(7) Organization in peacetime and in war time.

SECRET

SECRET

-7-

Chapter III. Present Organization for National Intelligence.

This chapter would comprise a description of the legal and structural set-up which we now have. It would include the following:

(1) An analysis of the position of CIA as defined in the National Security Act; the role of the Director of CIA in relation to the President and the Departments.

(2) The intelligence responsibilities of the departmental agencies, including Army, Navy, Air State, AEC, and JIC.

(3) The responsibilities of the National Security Council for the coordination of intelligence.

(4) The position of the Intelligence Advisory Committee.

(5) The U. S. Communications Intelligence Board.

(6) An analysis of the principal existing directives, including the National Security Council Intelligence Directives.

PART IX - CIA

Chapter IV. The Organization and Management of CIA

This chapter would include an overall sketch of the organization

SECRET

-3-

of CIA and a detailed examination and evaluation of its managerial set-up and of its administrative operations: the Directorate, Administration and Management, Inspection and Security, General Counsel. Evaluation of CIA security, administration and personnel.

Chapter V. CIA's Responsibility for the Coordination of Intelligence Activities

This chapter would include a detailed examination of the organization and operations of ICAPS, OGD and ONE (with reference to their coordinating functions), an appraisal of CIA's achievements in coordinating intelligence activities and how this responsibility can best be carried out.

Chapter VI. CIA's Responsibilities for the Collection of Intelligence

This would involve an examination of CO and CSO, an appraisal of their accomplishments and of the adequacy of the present organization and recommendations for improvement.

SECRET

SECRET

Chapter VII. CIA's Responsibility for the Evaluation of
Intelligence

This chapter would deal with ORR, its organization, activities and contributions to the intelligence picture, and what should be CIA's role in evaluating intelligence.

Chapter VIII. Special Operations

This would cover the existing work of the Special Procedures Branch in OSC and the proposed creation of an Office of Special Projects in accordance with NSC 10/2, and include recommendations for making them effective and relating them to secret intelligence and to government policies.

PART III - THE DEPARTMENTAL INTELLIGENCE AGENCIES

Chapter IX. The Department of State

An examination of the organization, strength and position of the intelligence agency in the Department of State, including a definition of its fields of activity and an appraisal and recommendations on its relationship to Department of State operations, to other Departments

SECRET

SECRET

-10-

and to CIA. Normal State Department operations in relation to intelligence.

Chapter X. Department of the Army

This would be a similar analysis.

Chapter XI. Department of the Navy

This would be a similar analysis.

Chapter XII. Department of the Air Force

This would be a similar analysis.

PART IV - OTHER AGENCIES

This part might include chapters on the Joint Intelligence Committee, the Atomic Energy Commission, and the Federal Bureau of Investigation. However, inasmuch as our charter does not specifically include these agencies, it would probably be better to refer to them in other appropriate chapters rather than devote individual chapters to each of them.

PART V - SELECTED PROBLEMS
(For example, the following)

SECRET

SECRET

-11-

Chapter XIII. Communications Intelligence

(If we are admitted to this field which is highly doubtful)

This would be an attempt to appraise the importance of communications intelligence in relation to the other sources of intelligence under present circumstances and to examine whether there is effective dissemination of communications intelligence and whether it is being properly used in relation to other materials and to recommend improvements. (Perhaps this should be submitted in a separate report).

Chapter XIV. Basic Intelligence

This would be an examination of how basic intelligence (e.g. topographic, economic, industrial, etc.) of common concern to several departments is now handled and should be handled.

Chapter XV. National Intelligence Estimates

This will be an examination of the concept of national intelligence estimates, the coordination of intelligence opinion and the way in which this problem is being handled at the present time and should be handled as between CIA under the National Security Council and the Joint

SECRET

SECRET

-12-

Intelligence Committee under the Joint Chiefs of Staff. (It may be possible to cover these subjects in Chapters V and VII).

Chapter XVI. Counter Intelligence

This chapter would attempt to take a cross section through the various interested departments and agencies, including CIA, State, the Service departments, and the FBI, in order to appraise the effectiveness of activities and coordination in counter intelligence matters.

Chapter XVII. Scientific Intelligence.

There is no special agency responsible for scientific intelligence matters, and there should probably be a special chapter on this subject which would attempt to define what should be the respective responsibilities of the various departments and of CIA and the means of coordinating their efforts.

Chapter XVIII. Case Studies

Examples, drawn from recent experience, of how particular problems

SECRET

SECRET

-13-

were handled, with respect to the collection, evaluation, dissemination

25X1

and use of intelligence

PART VI - CONCLUSIONS

PART VII - RECOMMENDATIONS

SECRET

SECRET

NOTES ON QUESTIONS TO BE CONSIDERED IN THE
CONCLUSIONS OF THE SURVEY GROUP REPORT

1. CIA's Position in the Government as Established by the National Security Act
2. CIA's Functions as Established by the National Security Act
3. The Coordination of Intelligence Activities
4. The Production of Intelligence Estimates
5. The Performance of Common Services
6. The Combination of Coordinating Functions and Operating Functions in a Single Agency
7. The Relationships Between Secret Intelligence and Secret Operations
8. Organization and Administration of CIA
9. Mobilization Plans
10. The Coordination of Counter Intelligence Activities

SECRET

SECRET

NOTES ON QUESTIONS TO BE CONSIDERED IN THE
CONCLUSIONS OF THE SURVEY GROUP REPORT

These notes set forth, for purposes of discussion, observations on some of the principal questions which will have to be considered in the Survey Group's conclusions. It is hoped that they will help define some of the principal issues so that these can be kept clearly in mind as we work toward the completion of our report.

1. CIA's Position in the Government as Established by the National Security Act.

The National Security Act provides that CIA is to perform its duties "under the direction of the National Security Council" and generally prescribes that CIA is responsible to the NSC. In the light of the history of intelligence since the war, the NSC is seen for this purpose, as the successor agency to the National Intelligence Authority, which had supervision over CIG. During the discussions in 1944 and 1945 on the creation of a central intelligence agency, the argument was very strongly made that the agency should be made responsible to the departments with operating responsibilities and it is to be presumed that it was in light of this argument that CIG was made responsible to the NIA and CIA is now responsible to the NSC.

In practice the CIA has operated largely in an autonomous manner, with little control by the National Security Council, except in such matters of interdepartmental coordination as CIA has brought to the attention of the NSC as required by statute. The acrimonious argument last fall as to the proper status and function of the Intelligence Advisory Committee (whether it was to be an advisory committee to the

SECRET

Director of Central Intelligence or a board of directors representing the National Security Council), illustrated clearly the nature of the issue: that is, to what extent CIA would be effectively controlled by the various departments with operational and intelligence responsibilities.

In fact, the NSC has not given effective supervision to CIA, and the creation of the Survey Group is a result of that situation. There has been no determination by the NSC of CIA administrative and operational problems, although the NSC has, by ratifying the intelligence directives proposed to it by the Intelligence Advisory Committee, determined certain jurisdictional problems and procedures (the series of nine National Security Council Intelligence Directives). Controversial issues, however, have either been resolved or side-stepped at the level of the Intelligence Advisory Committee or have been handled by the Secretary of State or Secretary of Defense rather than by the NSC itself

25X1

It is because of the looseness of the control presently exercised by the NSC that proposals are frequently heard, particularly in the Military Establishment, for bringing CIA into "the chain of command", which is usually interpreted to mean placing it under the Joint Chiefs of Staff or the Secretary of Defense. In examining this proposal, a distinction should perhaps be made between its applicability to CIA's coordinating functions on the one hand and its operating functions on the other hand. It may be that CIA as a coordinator of intelligence activities should be controlled by the

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

SECRET

National Security Council which represents all of the principal agencies concerned, but that CIA as an operating agency should be more directly controlled by the departments. This problem has in fact, been recognized when the recent assignment to CIA of responsibility for secret operations was very carefully safeguarded by provisions giving the Secretary of State and the Secretary of Defense controlling responsibility over those operations.

In this connection, it should be noted that CIA does not have statutory authority to conduct operations abroad, but that these responsibilities have been given to it by the NSC, which has in so doing simply decided that certain "common services" should be performed centrally.

The Survey Group will have to decide whether to recommend any changes in the position of CIA in the Government. Such a recommendation could take several forms, such as proposals for amendment of the statute, if this appears necessary; an attempt to define how, within the limits of the present law, a differentiation should be made between the various types of CIA activity; or a recommendation as to the status and responsibilities of the Intelligence Advisory Committee, including its relations with the Joint Intelligence Committee of the Joint Chiefs of Staff.

2. CIA's Functions as Established by the National Security Act.

Under the National Security Act, the functions of CIA "under the direction of the NSC" may be summarized as follows:

SECRET

- ~~SECRET~~
- (a) To advise the National Security Council regarding Government intelligence activities.
 - (b) To make recommendations to the National Security Council for the coordination of intelligence activities.
 - (c) To correlate, evaluate and disseminate intelligence related to the National Security.
 - (d) As directed by the National Security Council, to perform common services for the existing intelligence agencies.
 - (e) As directed by the National Security Council, to perform other functions related to intelligence.

Thus, CIA does not have the independent right of coordinating government intelligence activities; it can only advise the NSC with respect to their coordination. On the other hand, CIA is given the independent right to "correlate and evaluate intelligence relating to the national security", and it has been the manner in which CIA has exercised this right, through ORE, that has caused a considerable proportion of the criticism of CIA by the departments. Finally, to repeat what was said above, CIA has no right to carry out "operations" (espionage, subversive activities) except as authorized by the National Security Council.

Insofar as the statutory provisions are concerned, the issues with respect to CIA's functions might be summarized in the following questions:

- (a) Does CIA have under statute sufficient authority to

~~SECRET~~

coordinate government intelligence activities; if its authority needs strengthening, could this be achieved within the limits of the present law?

- (b) Is it desirable for CIA to have the right given it by statute independently to correlate and evaluate intelligence; if not, does remedy of this situation require amendment of the law?
- (c) Inasmuch as the law does not specifically authorize CIA to carry out operations, but leaves this matter to the discretion of the National Security Council, what statutory changes, if any, would be necessary if it is recommended that CIA's responsibilities for operations be modified?

3. The Coordination of Intelligence Activities.

In developing the plans for CIA and its predecessor, CIG, the principal emphasis was placed on the need for coordinating the intelligence activities of the various departments, so as to improve effectiveness and eliminate waste and duplication. It was felt that in the absence of a completely centralized intelligence structure, which was held to be undesirable, a central agency should be responsible for developing and supervising a coordinated intelligence program, including collection, analysis, appraisal, and dissemination. The responsibility for this task was placed on CIA, subject to departmental control as represented in the National Security Council and subject to departmental ^{the} advice ^{OF THE INTELLIGENCE AGENCIES} as represented in the Intelligence Advisory Committee.

~~SECRET~~

SECRET

In fact, CIA has placed a greater emphasis on its functions of collecting intelligence (OSO and OO) and producing its own intelligence (ORE) rather than on the coordination of departmental activities. The various National Security Council Intelligence Directives establish certain formal rules for coordination on the basis of certain recognized responsibilities of CIA and the departments respectively, but there has in practice been little sustained effort at coordination under the leadership of CIA. It is probably fair to say that CIA's responsibilities and performance in the field of coordination have produced little substantial effect on the operations of the various departments. The directives which establish the basis for coordination are in most cases the result of so many compromises by the time they are submitted to the National Security Council for approval that it is questionable whether they give CIA the necessary authority to coordinate effectively, even assuming the ability and the will to do so were present. It is difficult to determine whether the responsibility for this failure lies in defects of the present structure for intelligence or whether it is chiefly a result of the failure of CIA's leadership to perform ^{ITS} their mission. It is probable that this failure may be in part a consequence of CIA's natural preoccupation with its own operating and producing ^{ACTIVITIES} rather than with the seemingly thankless task of coordinating the work of other agencies.

An adequate appraisal of this difficult problem would necessarily have to define the areas of responsibility of the central agency and the departmental agencies respectively. At the present time, this

SECRET

SECRET

definition is not clear and not only is there duplication and overlapping (not all of which is necessarily undesirable) between the departmental agencies, but now there is the additional duplication and overlapping between these agencies and CIA. Our answer to this general problem will depend in part on our answers to the following questions:

- (a) Should CIA have the authority to coordinate intelligence activities ~~only~~, as at present, ^{only} with the approval of the Intelligence Advisory Committee and ultimately the National Security Council?
- (b) Should CIA be regarded primarily as a coordinating but non-producing and non-operating agency, with the primary task of developing and making more effective the work of the departmental agencies?
- (c) Are the present National Security Council Intelligence Directives sound, based as they are upon the principle that there are certain areas of "dominant interest" assigned to individual departments, other ill-defined areas in which all the departments have an interest, and, finally, a loose coordinating responsibility assigned to CIA?

4. The Production of Intelligence Estimates.

Under the law CIA is assigned the duty "to correlate and evaluate intelligence relating to the national security". In practice, this has meant that CIA has produced a fairly large quantity of paraphrases, summaries, and appraisals of intelligence questions, large and small.

SECRET

It has used for this purpose its own material and all of the intelligence material available to it from other agencies. For the most part, this work has been done by CIA independently and on its own responsibility although, to some extent, in consultation with the departmental agencies. In general this work has not been done in response to the known requirements of the policy makers or in light of our own plans. This CIA product has been disseminated to the various consumer agencies who in general have looked upon it as a possibly useful, sometimes annoying, and always secondary contribution to their own requirements.

There is, at the present time, no coordinated procedure for producing what might be called national intelligence estimates. CIA has done this to a very limited extent, as pointed out above. The Joint Intelligence Committee, representing only the Armed Services and the specific planning requirements of the Joint Chiefs of Staff, has produced broad estimates, but without any participation by the State Department and only with the benefit of comments by CIA and not full participation. Finally, in the State Department the Plans and Policy staff in particular is concerned with broad appraisals of the world situation and political estimates of Soviet intentions. These have until now been used only for State Department purposes, but *are now being brought into* ~~an effort is being made to bring them into~~ National Security Council channels. However, there was still no bridge between the State Department and the Joint Chiefs of Staff in this respect. CIA has not served this purpose and it is apparent

SECRET

that CIA, as it presently operates, is incidentally useful, but in some respects superfluous.

In order for estimates to be effective, they must meet certain conditions:

- (a) They must be prepared with a full knowledge of our own plans and operations.
- (b) They must be relevant to our current operational requirements.
- (c) They must combine Joint Chiefs of Staff and State Department thinking and requirements.

The issues with respect to estimates of particular and even technical matters are very much the same and it can be said that today, with the exception of the field of atomic energy, there is no established procedure which fulfills the above requirements. Therefore, the problem with respect to the production of intelligence estimates may be summarized as follows:

- (a) Does the CIA, as presently constituted and as it now operates, serve to produce or to coordinate the production of intelligence estimates?
- (b) How should the inter-relationship of the CIA, the JIC, and the State Department be readjusted so as to correct the present situation?
- (c) Can these adjustments be made without altering the present methods of operation of the Joint Chiefs of Staff and the relations between the State Department, National Security Council, and Joint Chiefs of Staff respectively?

SECRET

5. The Performance of Common Services.

In establishing CIA, it was recognized that there were certain common intelligence matters which could more effectively be handled in one place, and the National Security Council was authorized to determine what services of this kind CIA should perform. By virtue of these provisions, the CIA has ^{been formally} authorized to conduct espionage, secret operations, [REDACTED]

25X1

[REDACTED] and establish a biographical register of scientific personalities. CIA has also developed certain activities which, while not specifically authorized as common services, operate, in fact, as such, such as the Foreign Documents Branch of OO or the Map Branch of ORE.

In general, there are two kinds of common services—in the first place, those which are operational, such as foreign espionage,

25X1

25X1

[REDACTED]

[REDACTED] the performance of background research in which several agencies have an interest, for example, transportation, Communism, industrial facilities, petroleum, scientific developments, etc. Instead the Basic Intelligence Group of ORE has assumed a coordinating function for the purpose of assisting and guiding all of the participating agencies in the production of that form of basic

SECRET

Approved For Release 2003/10/29 : CIA-RDP86B00269R000500050032-6

intelligence for which each is best qualified. Thus, by every detailed assignment of responsibilities, individual agencies throughout the government are made responsible for keeping up-to-date particular fields of intelligence and for making appropriate contributions to the National Intelligence Surveys, which CIA is to edit and produce in final form. One result of this arrangement which is not a comprehensive assignment of responsibilities for all purposes, is to be that many agencies are engaged in the same type of work, even though only one of them may be formally responsible for contributions on the subject to the National Intelligence Surveys. It would be difficult, for example, to know to which single place to turn in order to have authoritative information on such subjects as world communism, foreign developments in electronics, foreign petroleum facilities, transportation facilities, etc. Although the problem does not seem to be alive in people's minds, the question will be raised whether this is a satisfactory state of affairs.

We must, therefore, answer the following questions:

- (a) What common services concerned with background reference and research should be centralized?
- (b) What background reference and research activities should be coordinated centrally?
- (c) What should be the machinery to achieve these purposes?

The other kinds of common services are the operational ones:

foreign espionage, secret operations, and

25X1

25X1

There is, at the present time, no serious

Approved For Release 2003/10/29 : CIA-RDP86B00269R000500050032-6

controversy regarding these and it is generally recognized that they should be performed centrally. Arguments heard at various times that there should be several espionage services are now seldom heard.

25X1

The issue

today is not whether they should be performed centrally, but rather the following:

25X1

(a) Is the existing arrangement satisfactory whereby

25X1

are separate offices, are linked only to the Directorate of CIA? Should there be a closer relationship between them?

25X1

remainder of OO (Foreign Broadcast and Intelligence Branch and Foreign Documents Branch) and joined in some manner with the intelligence operations work of OSO?

(c) How should these centralized common operations be set up in relation to the coordination of intelligence activities and the coordination or centralization of intelligence research and reference functions?

25X1

SECRET

25X1

6. The Combination of Coordinating Functions and Operating Functions in a Single Agency

By virtue of the provisions of the National Security Act which assigns certain coordinating functions to CIA and authorizes the NSC to assign to CIA certain common services, CIA now combines both coordinating and operating functions, the ones assigned by statute, the others by the NSC. When the reorganization of intelligence was being discussed in 1945, there was much debate as to whether the central agency should combine coordinating and operating functions. It is not clear why the decision was taken to combine them, although it does seem clear that the principal responsibility of the central agency was to be coordination and that one reason why the agency was permitted to engage in operations was that there seemed to be no satisfactory alternative.

There is no intimate relationship between CIA's operating functions (the collection of secret intelligence abroad and the now secret operations activities) and its other functions. CIA's secret activities abroad are not carried out on behalf of the other parts of CIA but on behalf of the principal operating agencies of the Government. If, as is probable, we propose to recommend a change in the functioning of ORE, the relationship with OSO will become even less close than it now is.

The arguments against combining these two types of functions might be summarized as follows:

- (a) The security of secret operations is jeopardized as the result of being part of an agency which has other, less secret,

SECRET

(b) There is no inherent relationship between the two types of functions, one of which is a service function performed on behalf of the operating agencies, and the other a coordinating function performed in a sense to control those agencies.

(c) As a result of combining the functions, the coordinating responsibility is neglected because the operating function is in many respects easier and more fascinating.

(d) As a result of being associated with a coordinating agency, the operating functions are not performed with sufficient regard to the requirements of the departmental agencies. Consequently, for example, the Department of State does not feel that it has any particular responsibility for OSO and, as another example, the establishment of a satisfactory status for the new Office of Special Projects could only be arrived at by recognizing the principle of departmental control over the operations.

Although the operating functions could be removed from CIA without amending the law, this might be regarded as a violation of the intent of Congress. The question would also arise where to place the operations. It is possible that they could be placed more directly under the control of the Secretary of State or Secretary of Defense while still using CIA as the administrative channel for funds and as providing the legal authorization.

7. The Relationships Between Secret Intelligence and Secret Operations

This problem has already been dealt with to some extent by the Survey Group in its Interim Report No. 2, which commented on National Security Council proposals for secret operations. Under the arrangements finally

SECRET

SECRET

established, secret intelligence and secret operations are two separate offices within CIA, with their respective Chiefs on the same level beneath the Directorate of CIA. It is difficult to predict how this will work out in practice and whether the Director of CIA will be able to give these two closely inter-related activities the necessary coordination. It is obvious, however, that the relations between these two activities are much closer than, for example, those between OSO and OGD or ^{between} OSP and ORE, and that the present structure does not recognize this. It is also true that these two activities are of major importance to the national interest and to the conduct of our foreign policy, whereas under the present arrangements they are submerged under a bureaucratic hierarchy and placed at a level no higher than that of other activities of much less importance. The final report of the Survey Group will have to consider this relationship and propose appropriate recommendations for close coordination of these two activities without jeopardizing the security of their respective operations.

8. Organisation and Administration of CIA

We will have to consider the standards which should govern the selection of top personnel in CIA. We will probably want to recommend that they should be primarily civilians, that there should be continuity, that they should be persons of broad experience and including, if possible, intelligence experience. Military personnel should be detailed to the organisation but should not normally occupy the positions of principal responsibility. It is questionable whether our recommendations in regard to individuals now occupying certain posts should be included in our formal report to the NSC.

SECRET

We will have to consider what should be the proper standards for the administration of an intelligence agency. Among them are flexibility, security, compactness and an intimate relationship between management and operations. It is questionable whether CIA satisfies any of these criteria.

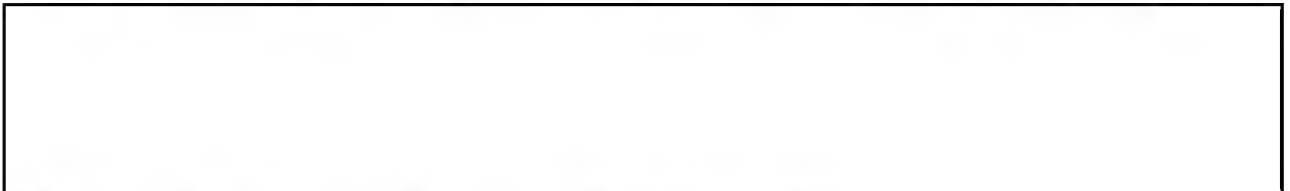
We will have to give consideration to the question of security. At the present time security of CIA seems to be jeopardized by the size of the organization, the variety of its functions, some of them highly secret, others much less so, the survival of some of the OSS methods of semi-overt operations and certain bureaucratic requirements.

We will want to consider the status within CIA of the various offices, their relationship to the management and to the outside agencies with which they have dealings. In general, it can be said that these "offices" are not comparable in nature or in importance, that they are too much dominated by the administrative and bureaucratic considerations, and that they are impeded in their relationships with other agencies.

9. Mobilization Plans

The final report should include an appraisal of the present plans of CIA and the other agencies for mobilization in the event of an emergency as well as recommendations for their improvement. The information now available on this point is fragmentary. This problem includes

25X1



10. The Coordination of Counter Intelligence Activities

We have hitherto paid relatively little attention to counter

SECRET

~~SECRET~~

intelligence and do not yet have the facts on which to base tentative conclusions. Among the points which should be covered are: whether counter intelligence has been given sufficient support in OSO, the relations between CIA and FBI, responsibilities for counter intelligence research, relationship of counter intelligence operations to deception and psychological warfare, and the various plans and operations of the Service agencies in the counter intelligence field.

~~SECRET~~

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

RESEARCH AND INTELLIGENCE

DEPARTMENT OF STATE

I. Organization

In one major respect the intelligence organization of the Department of State differs from the intelligence agencies of the military departments and from the Central Intelligence Agency itself: it is an intelligence agency within an intelligence agency. This fact, which must be understood at the very outset, conditions what it does in the Department, determines its status there, and may well control its future. It cannot be overlooked.

Since the time of Thomas Jefferson, Charles Pinckney and John Jay, the Department of State has been receiving information from its representatives abroad on the political, military, social and economic posture of nations. From the formal and limited reporting of the "diplomatic correspondence" of the eighteenth century, this flow of information on events abroad has grown to the vast flood of data on all subjects and all developments which now reaches the Department of State on each day. At least since the Civil War, American diplomacy has stressed the collection of information; and American foreign policy has been formulated increasingly on the basis of knowledge of the situations with which it copes.

It is upon this old, honored and enormously ramified organism for the collection of information from all parts of the world that the present Research and Intelligence organization of the Department was superimposed in September, 1945. It came, in effect, full grown, since it represented the bodily transfer of the Research and Intelligence (RAI) and Presentations staffs of the Office of Strategic Services to the Department. Because it had been created outside the Department, and because its functions importantly

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

CONFIDENTIAL

called "intelligence" seemed at the very least to parallel those already discharged by the political offices since the time of John Hay, it was met with suspicion and aloofness from the start. Its separate character, and its status of "not belonging" have clung to it since, and cannot be ignored in any consideration of its possible future.

The Research and Intelligence staff has already, in the three years of its attachment to the Department, endured organizational vicissitudes which many of its members have considered out of proportion to its shortcomings. Its first chief, Col. Alfred McCormack, formerly of G-2, introduced it to the Department as a unique and extensive service, which would alter existing arrangements to a decisive degree. His pertinacity, and the breadth of activity he envisioned for the organization, failed to impress the senior authorities of the Foreign Service if not the Department, and he retired to the practice of law in 1946. His successor was Colonel William Eddy, USMCR, former president of Hobart College and an officer with a distinguished record in foreign intelligence operations in Africa prior to the invasion of 1942. Under his leadership, the intelligence organization was broken up and its research personnel--virtually its entire staff of substantive analysts--were placed under the administrative control of the political offices of the Department. The "Russell Plan" of organization, as this arrangement named after Assistant Secretary Donald A. Russell was called, was reversed in 1947 when the present Research and Intelligence staff emerged. Col. Eddy was in turn succeeded last year by Mr. Park Armstrong, a former economic analyst and G-2 officer, who was appointed Special Assistant to the Secretary for Research and Intelligence ("R"), with status equal to an assistant secretary.^{stary} The rather violent changes in its organization, its newness and strangeness

-2- **CONFIDENTIAL**

CONFIDENTIAL

to the Department, and the shadowy distinction between the collection and analysis of information in the policy offices of the department, and that securing in the intelligence area, have continued to mould its position, and to shape its function and degree of responsibility.

Position in the Department

Before examining in more detail precisely what role the R organization plays in the Department, it is necessary to locate it within the larger intelligence organism of which it is a constituent part. The Department itself comprises five major branches which formulate American foreign policy. Chief of these and occupying a position of preeminence with respect to other policy staffs, is the Political Affairs branch, which undertakes the study and formulation of foreign policy in the political sphere. Its activities are conducted in intimate relation with those of the Policy Planning Staff, an agency attached directly to the Secretary and Under Secretary, but concerned with all phases of policy, and with particular responsibility for the projection of policy into the strategic future.

The four remaining branches are functional. They deal respectively with Occupied Areas, United Nations, Economic Affairs, and Transportation and Communication. Serving these staffs who collect and refine information but which also make policy decisions are the Administrative and Legal Affairs branches of the Department, and a considerable establishment devoted to Public Affairs, the activities of which range from the publication of historical materials dealing with American foreign policy to the hotly contemporary "Voice of America." Among these staff or service organizations, whose function it is to assist the policy offices, but not to make policy, is located the Research and Intelligence staff.

CONFIDENTIAL

Function **CONFIDENTIAL**

The function of the Special Assistant--and of his organization--is defined more or less as follows in the official charter:

(a) To advise and assist the Secretary in the development and implementation of a comprehensive and coordinated foreign-intelligence program for the United States.

(b) To develop and implement a coordinated program for positive foreign intelligence for the Department, including procurement of information and the production of intelligence studies and spot intelligence.

(c) To initiate and develop, in collaboration with appropriate geographic, functional and administrative offices, such instructions to the field as may be required for departmental and national intelligence programs.

(d) To determine which of the information and materials flowing into the Department are required for the production of timely intelligence.

(e) To adopt special security measures as required by the nature of the work performed.

(f) To serve as the representative of the Secretary on the Intelligence Advisory Committee and other inter-agency intelligence committees.

The Research and Intelligence branch thus performs a staff function, but not an intelligence staff function strictly analogous to those discharged by G-2 in the Army and ONI in the Navy. For as mentioned earlier, Research and Intelligence is an intelligence agency within an intelligence agency, which also performs policy, or operating, functions. Thus although Research and Intelligence is directed "to implement a coordinated program for positive foreign intelligence" in the Department, no distinction is made

CONFIDENTIAL

CONFIDENTIAL

between the information which it may thus secure and that which normally flows to the Department from its missions and individuals representatives abroad. The duties of Research and Intelligence are not unique in the Department as are similar duties performed by G-2 and ONI in their respective organizations. Nor does Research and Intelligence enjoy in fact the same status as its military opposites in its responsibility for keeping policy-makers informed. Instead of being the sole source of information or of finished intelligence reports, it is merely one source which may be employed if the policy-makers so desire. It has no necessary or unchallenged right to contribute to the study of policy problems; or, stated in another way, it has no right to insist that it be consulted in connection with the making of policy. Like the extra gear of a motor vehicle, it may be employed or not employed as the nature of the situation and the convenience of the policy-makers seem to dictate. That this is not an altogether ideal arrangement, either for Research and Intelligence or for the policy-makers themselves, will be indicated in some detail later in this paper. In the meantime it may be postulated that R has no policy function of its own, and no right to demand that it be consulted or its reports read. Having thus indicated its setting and something of the nature of its responsibilities, let us describe the organization and structure of Research and Intelligence as it now exists in the Department.

Organization

The Office of the Special Assistant comprises Mr. Armstrong and a personal staff of five assistants. Their functions include administration and security, representation of the Department with the Central Intelligence

CONFIDENTIAL

CONFIDENTIAL

Agency (ICAPS), and certain substantive responsibilities in approving reports prepared at lower levels and granting concurrence to CIA staff intelligence studies. Placed with them, but without administrative or other senior responsibilities, is a staff of intelligence analysts dealing with especially sensitive materials. They serve appropriate officials of the Department with reports based upon such sources, and represent the Department on groups responsible for the sources themselves.

Below this senior echelon are two organizations at the office level where intelligence collection and analysis is performed. These are, respectively, the Office of Intelligence Research (OIR), and the Office of Libraries and Intelligence-Acquisition (OLI), formerly Office of Collection and Dissemination. Most references to "State Department Intelligence" are to the former, since OIR prepares and issues the reports which comprise the largest part of the branch's contribution to the Department.

The Office of Intelligence Research, in which the substantive work of the branch is performed, is directed by Mr. Allan Evans, a medieval historian formerly a member of the OSS R&A staff. He has two deputies. The senior level of OIR comprises an Intelligence Coordination Staff of six persons, whose functions include editorial review of intelligence reports of all kind, programming of research projects, development of plans for future operations, liaison with CIA (ORR) and other agencies and related duties.

Under this staff operate the four regional divisions and one functional division which contain the bulk of the personnel and perform the substantive analysis of the organization. These are the Research Divisions covering political and economic matters in the American Republics, Europe, the Near East and Africa, and the Far East, each corresponding in scope to the

CONFIDENTIAL

geographical area covered by the political office of the Department which in the main it serves. In addition, one functional division, dealing with International and Functional Intelligence (IFI), is included. Its purview includes food and agriculture, industrial and natural resources, population and labor, social and cultural affairs, trade and finance and transport and communications. When appropriate personnel can be found, it will include study of world communism among its activities.

The Office of Libraries and Intelligence-Acquisition (OLI) is the other major organization under the Special Assistant. Its chief is Col. George R. Fearing, Jr., a former Air Intelligence officer, who has one deputy. Under him are three divisions, on the same level as the research divisions of OIR, and to a large degree serving them. They are as follows.

The Division of Libraries and Reference Services represents a recent merger of the State Department Library and the Reference Division of Research and Intelligence. The former, staffed by some 35 persons, conducts normal library services, such as book-lending, bibliographic research and some factual research from reference works. The Reference activity maintains the central file for intelligence material Research and Intelligence. At present it is receiving some 50,000 items per month for recording, indexing and filing. Because of staff limitations, it is currently able to process completely only about 20,000 of these items per month. The remainder are merely filed.

The Division of Acquisition and Distribution procures and distributes information requested by OIR, or received from departmental and other sources according to established procedures. It also serves as the channel through which requests for intelligence materials available to the State Department

CONFIDENTIAL

CONFIDENTIAL

are received from other intelligence agencies. It controls the field activities of Map and Publication Procurement officers located in various US missions in all parts of the world. It transmits the requirements of various government agencies to these individuals, and receives from them the materials they have collected for distribution among intelligence and other agencies, such as the Library of Congress and the Foreign Documents Branch of CIA (OO), of the government. The Map Procurement activities are

25X1

[REDACTED]

The Division of Biographic Information maintains the Department's central file of information about individuals in all parts of the world. [REDACTED]

25X1

[REDACTED]

25X1

[REDACTED]

25X1

[REDACTED]

25X1

Responsibility for preparing abstracts

of the information in its fields for use by all offices and divisions of the Department is retained by the Division, which to this extent performs a substantive function of the sort otherwise assigned to OIR.

The Special Assistant has recently added a second deputy to his staff whose function will be to take over and direct certain activities now conducted by the Division of Foreign Activities Correlation (FC). Although the nature of these duties is still uncertain, it seems probable that they will include centralization of liaison functions with other intelligence agencies, and the conduct of security operations [REDACTED]

25X1

25X1

[REDACTED]

Some current intelligence activities may also be undertaken under the auspices of this deputy, but their character is not entirely clear. No basic organizational changes are expected to occur as a result of the addition of these tasks; the personnel conducting them will probably be

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

merged with the present OIR and CLI.

Overseas activities of Research and Intelligence are limited to those performed by Research Attaches and Map and Publication Procurement Officers located in US missions abroad. At present 14 research attaches and 10 procurement officers are overseas, and positions for 14 additional officers are tentatively available. Their duties will subsequently be described more fully.

Budget

The overall budget for Research and Intelligence for 1949 amounts to \$2,170,000. This is broken down as follows:

	Personnel	Budget
Office of Special Assistant	51	\$264,000
Office of Intelligence Research	292	1,378,000
Office of Libraries and Intelligence	145	527,000

The Department Library is not included in the present Research and Intelligence budget. The sum of \$450,000 has been allocated to cover the activities and salaries of Research Attaches and Map and Publication Procurement officers by the Division of Foreign Service Personnel from its own funds. Present plans anticipate the allocation of \$350,000 to \$450,000 (depending upon the volume of work to be accomplished) to OIR for work on the National Intelligence Survey series during its first year. This money will be provided by CIA, and will assist Research and Intelligence to produce its agreed contributions to the NIS basic intelligence series.

It should be noted that the 51 individuals listed as comprising the office of Special Assistant include 35 persons who are actually research analysts dealing with special source intelligence material, and are not

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

administrative or senior-level personnel. For security reasons they have not been placed with OIR where the nature of their duties would normally see them placed.

Research and Intelligence originally requested \$2,400,000 for 1949, but were cut by Congress individually, and shared in the overall five per cent reduction in budget of the entire Department. The latter was administered in such a way, however, that the R reduction was nearer 15% than 5%, a source of considerable chagrin to the staff. OIR in particular has felt that the reduction was both discriminatory and crippling, since it came at a time when demands upon the organization were increasing. Although there is no clear evidence that the Department has sought to penalize Research and Intelligence through its budget, it is apparent that for the Department as a whole, the R budget is expendable.

Prospects for fiscal 1950 are for little improvement in the budgetary situation. Not only is the Department reluctant to increase the size of Research and Intelligence at a rapid rate, but the organization has had some difficulty in convincing Congress of its needs.

CONFIDENTIAL

II. Functions and Activities

Area of Intelligence Responsibility

The single great problem of intelligence in the Department of State is to know when the broad intelligence function of the Department itself, which we have described earlier, leaves off, and where the peculiar intelligence function of the Research and Intelligence staff begins. If any simple answer could be given to this problem which would be acceptable at once to Research and Intelligence and to the intelligence-cum-policy staff of the Department, most of the difficulties which now lie in the way of the latter would disappear.

Many of the difficulties stem from the fact that Research and Intelligence has a broad function of "developing a program of foreign intelligence" for the Department, at a time when the Department already has a broad--and traditional--program of intelligence acquisition and analysis conducted by its missions abroad and its policy officers in Washington. If, however, it were merely a matter of Research and Intelligence duplicating the precise intelligence function of the policy officers, it would be simple to eliminate the staff and allow matters to continue in the Department as they have for the last 80 years or so.

It is not as easy as this, mainly because the policy officers, by definition, are not only intelligence officers, but also policy officers. In the military sense, they are both intelligence and operations officers; even commanding officers. They collect and analyze information; but they also decide what to do about the intelligence with which they thus provide themselves. This dual function clings to officials throughout the several policy offices, so that the same man is both intelligence analyst and policy

CONFIDENTIAL

CONFIDENTIAL

initiator. His double responsibility, moreover, means that he can never give undivided attention to problems of intelligence analysis over an extensive period of time, and that by the necessities of his position he is driven to accept a more or less rapid analysis of a given subject which may differ markedly from conclusions which might be reached as a result of more intensive and protracted study.

It is here that Research and Intelligence assumes a function which is generally conceded throughout the department to be rightfully its own: the production of "research in depth," or of broad factual studies which the policy officers have no time and perhaps not the temperament or ability to make, but which may substantially assist the making of policy decisions on broad questions by means of better understanding of the problem.

There is a second function which Research and Intelligence has tended to assume in the past, and may broaden in the future, which likewise is not seriously contested in the Department. This is the responsibility for serving as a point of contact with the Department for the intelligence agencies of the military services and for CIA. Even now, contacts with these agencies on different matters are conducted by divisions outside Research and Intelligence. It does have, however, responsibility for dealing with CIA on behalf of the Department, and for a large share of contacts with other departmental agencies. At the same time the Division of Foreign Activity Correlation (FE) maintains its own separate contacts—which R may shortly assume, however—and the political affairs divisions have informal relationships with departmental agencies. To a considerable, and probably to a growing, extent, Research and Intelligence guides and conducts the

CONFIDENTIAL

CONFIDENTIAL

Department's contacts with departmental intelligence.

Intelligence Requirements

In carrying out its research responsibilities, the staff either receives the assignment of topics to be studied from policy officials of the Department, suggests them itself, or prepares studies and reports without prior request or indication of interest but merely because it has the information or believes the matter is important.

In any event it must review available information before beginning a report or study, and decide whether additional material must be secured. For this purpose it has the full resources of the Department to rely upon, and has its own authority to "determine which of the information and materials flowing into the Department are required for the production of timely intelligence." If these data are insufficient, however, it must prepare lists of intelligence requirements as a guide to the collection of additional data in Washington or the field.

At this point OLIA enters: requirements initiated by OIR are sent there for collection of the desired materials. OLIA decides where the material may best be obtained, and how this may be accomplished. If necessary, OCD approaches other departmental intelligence agencies direct in order to satisfy OIR requirements; and it does not invariably report OIR requirements to the CIA OCD as a matter of routine so that they may be coordinated with other like requests which CIA may have received. Coordination of requirements, indeed, is rather rudimentary, so that nothing exists at present to prevent the issuance of duplicate sets of requirements to the same departmental agency by, for example, OIR and ORE through their respective OCD's. ~~Personal liaison between working~~

CONFIDENTIAL

CONFIDENTIAL

members of the two agencies, while fairly healthy, is not sufficiently regular or efficient to provide an effective safeguard against this form of overlapping.

Within the Department itself there is one check on OCD's activities. Although Research and Intelligence has authority to go to the field to obtain the materials which it needs, officials of the geographical divisions may veto the issuance of certain intelligence requests to field missions if they duplicate requests already sent, are of lower priority than other information which the mission has been asked to supply, or involve too much time and difficulty for the mission.

It should be pointed out again that the functions of OLIA in securing information from State Department sources is not limited to satisfying requests from OIR. The Office performs a similar function for departmental agencies, who make requests for State Department information directly to it. It also serves as the coordinator of requirements issued by departmental agencies and non-IAC agencies to the Publication and Map Procurement officers which operate abroad under Research and Intelligence auspices.

Collection Activities

By far the largest single source of information available to Research and Intelligence is the cable and pouch reports of State Department representatives abroad. Not all of this material is furnished to OIR, however, despite R's authority to determine its own requirements for "the production of timely intelligence." The most sensitive items are withheld entirely until they have been declassified or have been displaced in importance by subsequent reports. Others are made available

CONFIDENTIAL

CONFIDENTIAL

to Mr. Armstrong or his top officials only on a personal "eyes-only" basis. While it is true that the latter officials or their deputies may make the contents of these reports known to working-level analysts, the latter do not have full access to the material, or the right to include it in their reports. The failure to integrate the research activities of the Department with policy questions in some part results from the lack of effective contact of OIR with high O policy communications.

In addition, OIR is excluded from high-grade operational information originating in the War Department or other parts of the Defense Establishment. ORE, which also fails to see these reports, does have somewhat better facilities in the Department than OIR itself has; and a certain amount of information bootlegging goes on between ORE and OIR. There is some evidence to suggest that Mr. Armstrong does not know to what extent his organization is excluded from this and other sensitive report material.

Aside from these categories, Research and Intelligence receives a flow of raw material from CIA and departmental agencies. These include naval, military and air attache reports; and the ordinary report material of CIA (OO) and (SO). In addition, OLI undertakes to tap the resources of other federal agencies in Washington, and in doing so has the active assistance of analysts attached to OIR, many of whom are intimately familiar with the information resources of such agencies as the Library of Congress, the Departments of Agriculture and Commerce, the Bureau of Mines, etc.

There does not appear to be excessive red tape or delay in OLI's collection undertakings. Nevertheless, the organization appears to serve only a limited part of the State Department rather than the entire

CONFIDENTIAL

CONFIDENTIAL

information needs of the various policy offices. This is partly a failure to let the policy people know of the service which OLI can provide; and partly a recognition of the fact that the policy offices are accustomed to make their own field collection requests without reference to Research and Intelligence. OLI also ignores any claim which CIA may make to preeminence in the field of intelligence collection. This may not always be a serious defect, because a number of State OLI's requests do go to CIA, where they are automatically coordinated with those of other agencies by means of CIA's rather unwieldy mechanism. But in a considerable number of instances when OLI makes a direct approach to other agencies, or to the Department's missions abroad, the possibility that other agencies may have parallel interests is largely overlooked. Similarly, the mechanism in the Department for screening duplicatory or too extensive requests for collection abroad seems to depend as much upon the good memory and good sense of policy division personnel as it does upon any properly established procedure.

Research Attaches

The collection function of Research and Intelligence is not carried on exclusively in Washington. As indicated earlier, some 14 research attaches are now serving in various missions in different parts of the world. Their work is carried on under the general auspices of Research and Intelligence in the Department, and is essentially to conduct field research activities into particular problems of a strategic nature. In theory, they are supposed to be free of responsibility for conducting the daily business of the mission to which they are attached, but instead are to concentrate on detailed study of the problems

CONFIDENTIAL

CONFIDENTIAL

assigned to them. These tasks may be such things as the long-term economic changes in a given country, or the study of population distribution and trends. The attache will be encouraged to make use of all materials and resources which he can find in the local area, and expected to make one or more rather basic reports than a series of limited reports covering no more than phases of his subject.

Although gratified at the opportunity to send researchers to field stations, OIR has found that in practice some tendency exists to incorporate research attaches into the normal working staff of the mission. The effect is that the individuals are so laden with routine functions that they have only limited time left in which to perform their prime function of research. On the other hand the policy officers tend to deprecate the tendency of functional units of the Department having "their own little Foreign Services" apart from the normal staffs of missions. The gravity of this objection appears to be not very great. On the other hand, the research attaches have yet to prove the fundamental soundness of their function.

Production

The test of any intelligence agency is its product: how apt, how prompt and how well reasoned it is. Before it is possible to consider the adequacy of the reports prepared by the Research and Intelligence staff, it is necessary to describe what reports are prepared, and for what purposes.

Consider the latter factor first. Actually, the purpose of all of reports prepared by OIR (the reporting unit of the branch) is not as simple as the original definition of the "R" functions would indicate.

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

It was observed earlier that one of these functions was the production of "research in depth," to assist policy officers in dealing with knotty problems which could only be approached on the basis of thorough knowledge of the situation, both as to its origins and its present implications. Actually, however, the Research and Intelligence leadership has tended increasingly during the last six months to consider its task only partly done with the production of research, either on broad or limited topics. For some time it has fostered the production of reports which are much more in the nature of "intelligence" rather than "research," although based upon the latter. For example, OIR, having prepared an exhaustive study of changes in land tenure behind the Iron Curtain, may also write and issue a brief (300-600 word) "intelligence memorandum," which recites only the conclusions the researcher has drawn and their possible implications in terms of American foreign policy. Thus OIR adjoins to its acknowledged function of producing "research in depth" a further function of "action" intelligence, which have more or less immediate bearing upon policy problems confronting the Department at the moment of writing.

OIR and Estimates

This broadened interpretation of the purposes for which it prepares intelligence has changed the character of Research and Intelligence from that of pure research to something more nearly—but still not exactly—approximating the position of the departmental intelligence agencies. This among other things has lately tended to bring Research and Intelligence into conflict with the policy divisions. The latter consider their own function to be the analysis of current problems and the formulation of American policy with respect to them. The analysis

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

which they make approximates the concept of an intelligence estimate. It is a study of the situation, and observations on the probable outcome if different courses of action are followed with respect to it. Actually, as a "study" it may exist only in the policy officer's mind. Nevertheless it is, in the Department, the definitive "estimate" upon the basis of which policy is formulated—often by the same officer.

In theory, as accepted in the policy offices, the specific contribution of "R" to this process is the preparation of factual information, or "studies in depth" of broad situations, which will assist the policy officer in formulating his own subjective "estimates," and consequently the policy action which he would recommend. In the opinion of the policy officers, "R" oversteps this mark when it presents intelligence estimates of its own, which appear to analyze the policy implications of a given problem, and by implication to recommend the course of action which should properly be adopted. Holding this view, policy officers are inclined to question the propriety of "R's" preparation of policital estimates at the request of CIA.

The question of intelligence estimation by Research and Intelligence is likely to become more pressing within the fairly near future. As remarked above, Research and Intelligence is in the process of establishing a staff for the production of "current" or "action" intelligence for the use of the policy offices. Such reports will detail information reported in the dispatch traffic of the Department, which is, of course, immediately available in complete form to the policy offices. Research and Intelligence will presumably extract it, collate parts of it, and present it with the addition of a comment or evaluation as to its meaning

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

and significance. Research and Intelligence is apparently contemplating this extension of its activities on its own initiative, and not in response to requests made elsewhere in the Department. It is also true that the Policy Information Committee of the Secretary's office already conducts a rather extensive and highly efficient current intelligence operation, and the Department receives the current intelligence output of CIA. At any rate, the increasing tendency of "R" to stress the production of estimates, and its disposition to enter the current intelligence field will almost certainly lead to further complications with the political offices, which consider that "R" should devote its talents and energies to factual studies, and leave estimates to the policy officials.

One more word may be spoken on estimates produced by "R". Present procedure is for Research and Intelligence to submit all papers, either collations of fact or estimates, to the appropriate policy office for approval before dissemination in the Department or outside. Actually, it appears that this process is elided if not overlooked in the actual production of materials. OIR this may "show" its reports to the geographic office, but does not ask for specific approval, and is willing to circulate the material without waiting for direct authorization from this quarter. The matter is apparently bound up with R's insistence upon its own departmental autonomy, a wish to have research reports stand on their own feet, and an anxiety to escape geographic office paternalism which could become domination.

Types of Reports

These, then, are some of the problems surrounding the production of intelligence reports by Research and Intelligence. Let us now

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

consider in some detail the particular reports which OIR prepares and circulates. They are as follows.

(a) Intelligence Memoranda. There are one form of the "estimates" referred to above, and this vehicle may be adopted for passing on the "action" intelligence which R may begin to produce. They are brief statements, usually a page or two, which relate to a given situation, and which attempt to analyze it and suggest its implications. They are prepared either as a separate project, on the basis of internal request or because OIR considers that certain information at hand should be summarized and its meaning explained to the rest of the Department. They are also prepared as a result of the research put into the writing of a lengthy factual study, in which case they represent the conclusions of the analyst preparing the more bulky report. In either case they are disseminated to the geographical and other policy offices which may have an interest in the subject. They are not requested by the policy divisions; and although OIR professes not to have received criticism of them, it is known that they are not very well received elsewhere in the Department. This appears to be a case where OIR and its superiors have taken the lead in a project of their own which is not well integrated with the reporting processes of the rest of the Department.

The Intelligence Memoranda are also circulated outside of the Department to departmental intelligence agencies. They are submitted or at least shown to the policy divisions prior to dissemination, but no formal "clearance" is ordinarily requested. This fact is emphasized by the appearance of a disclaimer line under the heading of the sheets upon which they are duplicated, which states, "This report does not represent the official opinion of the State Department." Addition

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

of this statement was insisted upon by office chiefs of the political affairs branch of the Department in order to avoid embarrassing the Department in its relations with other agencies.

(b) Information Notes. These are reports of varying length which are requested by policy officials, and which are confined strictly to the facts requested, without interpretation or analysis in terms of a given current policy situation. They may be limited to a few words on a single sheet giving the response to a question of fact; or they may amount to a considerable essay on questions of substantial breadth. As such they are regarded elsewhere in the Department as the precise sort of information report which Research and Intelligence should properly prepare. Although their quality may vary, and they are sometimes tardy, there is no quarrel elsewhere in the Department with the type of information contained in reports of this kind.

(c) OIR Studies. These are reports of substantial length—30 to 200 pages or more—which detail the facts relating to a particular subject. They are ordinarily prepared as a result of request by policy officers, and are written on subjects which concern a very extensive area of foreign policy. An example now in process is the estimated economic level of Japan in 1952, which is to serve as a basis for departmental policy-making with respect to Japanese level of industry, etc., when it is completed.

Material of this kind, when presented, is often not expected to provide the answers for immediate policy questions, or to end its usefulness with the solution to the first policy problem to which it refers. Instead, such studies are expected to contain basic background material which will provide helpful to policy officials in many different

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

-22-**CONFIDENTIAL**

CONFIDENTIAL

respects over a period of some time. One of the more effective division heads of OIR has observed that great care is taken in selecting the topics for such exhaustive research, since at best a single study can provide fundamental information on many phases of broad policy problems. If chosen with particular skill, it can anticipate difficult problems of the future before they become acute. In this way they can help to avert confusion in policy, or the failure to have any policy at all when circumstances demand action at once.

Again, this sort of study is regarded by as exactly the sort of thing which OIR should undertake. Intelligence Memoranda are frequently prepared as part of the end-product of such studies, however, and these, as indicated earlier, are suspect. There is some feeling in OIR that no conclusions should be drawn by OIR, either for the purposes of Intelligence Memoranda or for the uses of the study itself. The current procedure is to draw conclusions and usually to present them in separate form as well as in the paper itself.

(d) OIR Periodicals. The most effective of these are two monthly series: Economic Review of the Soviet Union, and Political Review of the Soviet Union. Both are considered very helpful by certain policy units of the Department, notably certain members of the Policy Planning Staff. Again, they do not indulge in extensive analysis, but limit themselves largely to questions of fact. To some extent they appear to be over-academic merely for this reason, but this has not dulled the enthusiasm of most of their recipients.

These publications are among the few periodical reports still published by OIR. Many more were produced prior to a survey made in

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

the Department last April, as a result of which it was learned that a substantial majority of the OIR periodical essays never reached the persons for whom they were intended, and when they were received, were rarely read. The production of the periodical series meanwhile reduced the amount of time available for working on projects initiated at the specific request of policy officials. The result of the survey was to reduce the periodical series substantially, retaining only those (such as the ones mentioned) which had readers and were considered to be well done. Certain other periodical reports were altered in form but allowed to continue.

(e) Situation Reports. These are estimates of the political, economic and social situations in given nations or (in a few cases, areas) which are prepared at more or less frequent intervals by the geographical divisions of OIR. They have circulation in the Department and outside to a limited extent. Generally speaking, they do not appear to make much impression in the Department or elsewhere. They have been useful in connection with OIR's concurrences with the Situation Report series produced in CIA (ORE). They will be more useful in connection with OIR contributions to such ORE Situation Reports, or to the National Intelligence Surveys when these are on a production basis.

Another category of report has not yet been produced by OIR, but may become increasingly important during the next few months. These are political estimates to be contributed to staff intelligence estimates sponsored by CIA (ORE). According to the Standard Operating Procedure for the Production of Staff Intelligence (DC1D31) approved during July, OIR will provide estimates of this kind at the request of CIA. These

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

CONFIDENTIAL

analysis will again be the sort of intelligence estimate which the policy divisions consider outside the function of OIR. Such estimates will be cleared with policy divisions by OIR prior to sending them to CIA. It seems likely that the policy offices will react unfavorably to OIR's assumption of a regular estimate-producing function, even with their clearance. They are not able to assume the task themselves, however.

Definitive State Department Estimates

Production of estimates of this type raises a further question involving the merger of intelligence and policy responsibilities in the same policy officers. This is the fact that while OIR may be preparing an estimate, either as a contribution of its own to the policy offices or at the request of CIA according to the Standard Operating Procedure, another, "official" estimate of the same situation may be in process of production by the Policy Planning Staff for the purposes of the National Security Council. It may be that "WR" may contribute through its research studies to the Policy Planning Staff's estimate. It is also likely to be true that no ill consequence will flow from the production of two estimates on the same general subject at the same time. At the same time it is clear that no infallible mechanism exists for the production of a single, definitive estimate which will serve to discharge the Department's obligations not only to the Security Council but also to the CIA. Separate estimates, on the other hand, which may reach separate conclusions, could involve the Department in difficulties, since both are accepted on the outside as the responsible view of the Department.

CONFIDENTIAL

CONFIDENTIAL

NIS Participation

OIR is committed to participation in the National Intelligence Survey program conducted under CIA leadership through its Basic Intelligence group in ORE. Its contribution will be in the nature of descriptive material on the political, economic and social situations of the countries covered in the NIS series. To undertake the task of collation and writing involved OIR must employ new personnel, since its present force, reduced by budget cuts, is unable to assume new burdens. For this purpose CIA is allocating funds to take care of the first year's NIS participation, and has promised future support of the R budget to accommodate the NIS staff in OIR. There is no controversy within R or the Department as to the propriety of this activity, although there is some question as to the ultimate value of the entire NIS series.

The Research and Intelligence branch has had no contact such with the Joint Intelligence Committee. In theory, when the State Department ceased to belong to JIC, the latter was to approach State for political analyses to be included in its estimates via CIA. This method of contact, which was to operate in both directions, has not worked, at least as far as OIR (the official Department link with CIA) is concerned. It is very certain that OIR has prepared no estimates for JIC, although its material may reach these indirectly through CIA.

Quality of Intelligence Reports

At various places in the foregoing reference has been made to the doubts held in the policy divisions of the department as to the propriety

CONFIDENTIAL

CONFIDENTIAL

of OIR attempting political estimates. This is a criticism of kind, not of quality of intelligence. The latter question is another matter, with almost as many judgments as OIR has prepared studies, memoranda or reports. It is a question closely linked with the quality of personnel in OIR, a subject to be considered later; and it is also related to the timeliness, relevancy and accuracy of source material, not all of which are under the control of the substantive analysts of OIR.

Briefly, however, the general judgment passed on OIR reports is that they are variable in quality, ranging from a few very good through many mediocre reports to a number of very bad ones. Such judgment, as indicated, depends upon the reports themselves, and for this reason it is perhaps best to consider the products of the several divisions of OIR individually.

(a) Division of American Republics Research: The material from this division seems to be universally deprecated in the policy office (ARA) of the Department which it serves. It is the evidence upon which the chief of the office calls OIR a "gigantic boondoggle," and upon which his division chiefs indicate various degrees of dissatisfaction, ranging from vehement disgust to flat conviction that nothing good or useful or timely can come from the division. The disapprobation seems particularly relevant because the present head of the division, and some of its personnel, were originally members of the small research staff located with the Office of American Republic Affairs. This division also has a security taint.

There is a tendency in OIR to discount some ARA dissatisfaction with the DRA product in terms of ARA's own attitude toward its policy decisions. The political office appears to feel itself personally

CONFIDENTIAL

CONFIDENTIAL

committed to each policy and to anticipating every development in every country. Hence it tends to resent outside views which tend to disagree with its own, and it seeks to suppress opinions not in complete harmony with those upon which policy has already been founded.

(b) Division of Far East Research: Its reports seem to be received rather more favorably than those of DRA, and its personnel are regarded as more competent within OIR. The policy division (FEA), however, considers that the DRE material is too wordy and refined for much practical use, and its reports are divorced from the practical contact with policy matters which would give them greater relevancy. The office deprecates the tendency of OIR to estimate future political developments, and would strongly prefer having the researchers in its own organization rather than located under separate control elsewhere in the department. This, of course, is a general criticism of OIR which will be taken up in more detail later. So is the further criticism of "Ph.D. intelligence," i.e., intelligence or research prepared on an academic basis with few contact with the living realities of the existing situation with which the report is intended to deal.

(c) Division of Near Eastern Research. The appropriate political office (NEA), like its Far Eastern opposite, considers that the product of DRN is "too long" and too finely polished to be of particular value in most policy questions. Some long-range studies have been useful, but general utility is considered to be slight. The view was also expressed here that greater efficiency would be achieved if the researchers of OIR were assigned to the policy office, where they could work under the

CONFIDENTIAL

CONFIDENTIAL

immediate assignment of policy officials. In this way the present tendency toward irrelevance, academic niceties, etc., could be dispensed with in favor of more efficient research support in connection with policy questions.

(d) Division of European Affairs Research: The contributions made by the Division appear not to have made any particular impression upon the responsible office (EUR) in the political area of the department. Although agreeing with their brethren that research personnel should be distributed among the political divisions, the officers in European Affairs are rather vague as to the precise contribution of OIR to their policy problems. They agree that research material was far more useful and accessible when researchers were attached to the divisions rather than to an external branch of the Department. On the other hand, the more intensive studies made by OIR have been of value over a period of time, and are of value for reference after particular problems have been settled. Matters would be helped if OIR would give up writing a dozen pages where one would do, however, and would distribute those it does prepare without delay. Too long and too old intelligence makes for waste and futility.

(e) Division of International and Functional Affairs. This division is very confident of the value and accuracy of its work. Its contribution with regard to ECA matters during the early part of this year has been much praised in the Economic Affairs section of the department. At the same time not much is said of its more current reports, and some indication exists that its material in regard to fiscal matters is

CONFIDENTIAL

CONFIDENTIAL

considered rather inferior. Its petroleum reporting was thought to be quite good, however, although the analyst responsible for this material has since taken employment elsewhere. The division considers that it has contributed substantially by correcting CIA misapprehensions occurring in staff intelligence studies.

As stated above, OIR reports are sometimes good, sometimes bad. When they are good, they are occasionally tardy, and thus poor; or they are too lengthy to be read fully by the policy people for whom they are designed, and so again defeat their purpose. As in all such matters, the quality of the material depends upon the nearness of the research people to their consumers, upon the relevancy of the problems which they have selected for study, and upon the clearness of their literary style.

Value of Reports

The problem of relevancy of reports is one which OIR attempts to solve by basing its work upon particular requests from policy officers. Thus over 75% of OIR reports are said to be written in response to such requests, and the remainder to be written on OIR's motion alone, on the assumption that they will be found useful when presented. Actually, of the 75% written at request, it is found both in OIR and in the policy area of the department that many of the "requests" are actually based on more or less casual approval by policy officers of projects which OIR has propounded for itself, and which policy people are loath to turn down, but for which they see no particularly pressing need. It is difficult to evaluate the extent to which this technique of promoting "requests" o

g verns production of reports, but the custom seems to be

CONFIDENTIAL

CONFIDENTIAL

well-established, and in some areas is favored by policy officers because it seems to please OIR and does no particular harm. On the other hand, it is possible that policy officers occasionally use this means of dealing with OIR at the expense of more sincere efforts to plan research projects to their own benefit. It seems fairly clear in any event that a considerable share of the OIR production is not closely related to immediate and pressing, or even broad, future policy problems. Not much is produced because policy officers feel that they need it, and can only have such research adequately done by OIR. The fact that a certain element of "busy work" thus exists helps to explain on the one hand why the policy people find much OIR material irrelevant, and on the other hand why OIR seems to have many projects of its own concerning which the policy officers know little. Certainly the relation between OIR and its consumers in the policy divisions, for all the liaison which is described as "excellent," needs to be closer. A sharper exchange of information on actual needs and genuine capabilities is also requisite.

These are perhaps symptoms of the disease itself, which is the fact that OIR and Research and Intelligence generally is excluded from the truly significant policy problems of the department. Mr. Armstrong has only limited access to such matters, and Mr. Evans of OIR not much more. OIR feels keenly that it should have closer contact with the Policy Planning Staff. By attending Staff meetings it could be in a position to anticipate major policy problems of the future, and could begin research studies early on which would assist the Policy staff later when the problem became crucial. Actually, however, OIR is brought

CONFIDENTIAL

CONFIDENTIAL

into such matters, if it comes in at all, only at a late stage when policy has almost been formulated. The exclusion from the Policy Planning Staff is paralleled by OIR's failure to receive the most sensitive reports of the department, and its non-participation in top-grade policy discussions. It is a major factor in the irrelevance and aimlessness which policy officers tend to discern in OIR's products. In a sense it is an endless chain, since OIR's exclusion from high policy makes its reports academic; and the academic character of its reports tend to justify OIR's exclusion from high policy matters. It is the recurrent problem of the relation of intelligence to operations, complicated by the unique merging of intelligence and operations in the persons of Foreign Service officers of the Department of State.

Coordination with CIA (ORE)

The coordination of production has not concerned OIR so long as it has considered itself as serving the policy divisions of the Department and not outside masters. CIA for its part has not undertaken a decisive program of coordination in the production of intelligence. OIR has kept CIA informed of its production schedule, and some informal coordination has occurred. But OIR complains that CIA has not in the past reported its own production program in time to make it useful as a guide, so that both agencies have proceeded along their respective ways, with production little governed by each other's plans. There appears to be virtually no coordination of production with other departmental agencies on motion of OIR, although again there is more or less adequate working contact with them. The production of intelligence estimates for

CONFIDENTIAL

CONFIDENTIAL

the purposes of CIA may tend to alter the existing situation.

Counter-Intelligence

OIR has undertaken no work in the field of counter-intelligence. It has not field operations in this sphere. Most of the contact which the Department has with these matters is at present through the Division of Foreign Activity Correlation, which has close contact with CIA, the FBI, departmental intelligence agencies, and other federal law-enforcement bureaus. "R", however, is fostering the transfer of some of these responsibilities to it, and it may be that "R" will emerge with a somewhat more substantial counter-intelligence role in the future than it has now. Precisely how this will accord with its essential research function is by no means clear, although there is reference to the inclusion of "security intelligence" information in other OIR reports.

25X1

This is an administrative rather than a substantive task, and does not concern the intelligence-producing activities of his organization.

There is one other personage in the Department who is deeply involved in counter-intelligence matters, which even have Special Projects overtones. This is Mr. Raymond Murphy, a special assistant to the Office of European Affairs. Long familiar—on the inside—with communist methods and intention, Mr. Murphy now conducts "field operations" in the US and in Europe which involve collection of information on world communism and the penetration of Continental and other communist groups. The propriety of such work's being conducted in the geographical office

CONFIDENTIAL

CONFIDENTIAL

of the Department is an interesting point in itself. There is some reason to believe that Murphy's operation would be better conducted under such auspices as those of the Office of Special Projects, CIA. Any such transfer would require Murphy's own consent, however, and this might not be easy to obtain from an individualist of his proportions.

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

III. Relations with Other Agencies

OIR does not duplicate or overlap the activities of the Army, Navy or Air Force intelligence agencies, although it might be said that ID, Army, because of its broad interest in political developments, overlaps the State Department. OIR has working-level and official liaison contacts with these agencies, and nothing has appeared to suggest that these relations are not convenient and effective for all concerned. ID, interestingly enough, is particularly pleased with its contacts with OIR.

OIR and ORE

CIA (ORE), however, is another matter. Research and Intelligence, rather submerged in its own organization, is keenly conscious of the State Department's ultimate responsibility for political, sociological and economic intelligence (NSCID #2), and tends to envisage itself as the chief agency in the Department for discharging the responsibility. Linked with this concept of its role is R's tendency to become the producer of political estimates, despite the real interest in this field possessed by the geographical offices of the Department. In any event, OIR and R generally tend to look with unceasing distrust upon ORE's activities as an intelligence producing agency, largely in the field of political analysis. The fact that R suffered severe budget reverses early this year at a time when ORE was notably flush did not help their relations. Thus R questions ORE's right to operate as a "fifth intelligence agency, casts doubt on the abilities of the responsible analysts of ORE, and makes obeisances to the "Sousers concept" of CIA, which would involve a considerable reduction in ORE's activities. ORE, for its part, tends to describe OIR and its works as "academic," "unrealistic," and out of touch with the problems of national

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

intelligence. Part of this back-biting is mere inter-agency rivalry, made acute by budgetary differences; and part is genuine conviction that intelligence functions are not clearly allocated in the government. Lately, however, OIR and ORE have regularized their relations on the basis of the "Standard Operating Procedure" (DCID #3/1), and its implementation may bring them closer together in sympathy and operation.

Standard Operating Procedure

The Standard Operating Procedures provides that ORE, in preparing staff intelligence estimates, may draw upon the departmental agencies for subordinate estimates in their particular fields of competence. Thus OIR is to produce the political, economic and social analyses for CIA's review and incorporation in a finished "national estimate." OIR is to perform the substantive research and analysis, and to prepare the estimate. ORE will receive it, synthesize it with other contributions in related fields, and shape the final, coordinated product. It will supposedly not undertake substantive research itself, and its geographic branches, hitherto responsible for such estimates, will limit themselves to critical, supervisory and coordinating functions. Considerable opposition exists to this procedure in ORE branches. OIR's ability to deliver finished studies which will meet ORE's standards and will get the blessing of the policy divisions have yet to be seen. As things now stand, however, OIR is linked very closely to ORE and if the scheme works in fact, the relations of the two agencies should be very much simplified in the future. Because of weaknesses in the procedure, because of the rivalry of the two organizations, and because ORE has no authority to insist on compliance while OIR has no departmental responsibility to comply on ORE's terms, the entire mechanism may prove to be

CONFIDENTIAL

CONFIDENTIAL

unwieldy and ineffective.

Concurrence

In the past and prior to the inception of the Standard Operating Procedure, OIR's most significant regular contact with ORE was in connection with concurrence on staff intelligence reports prepared by ORE. From the point of view of both organizations, this procedure was complicated, difficult and frequently irritating. ORE has taken the stand that its material is prepared for the use of national policy-makers, and that it is prepared to draw attention to situations affecting US security. It has considered OIR picky, carping and purist in its criticisms of ORE political analyses, and it has reconciled its own interpretations with those of OIR only at the expense of considerable argument, discussion and debate. OIR, for its part questions the propriety of ORE's entering the field of political analysis. It is critical of the quality of personnel in ORE, and particularly critical of the reports prepared by them. The problems of concurrence and dissent on intelligence papers prepared in ORE has symbolized and to a degree epitomized the conflicting claims of both organizations to political analysis. The Standard Operating Procedure was originally conceived as a lubricant to eliminate much of the friction between them, but as indicated earlier, its future remains in doubt.

Such coordination as the SOP may at best introduce will have little bearing upon the remainder of OIR's production for departmental purposes. In theory, this material does not duplicate the "national intelligence" responsibility of ORE. Actually, however, both agencies receive the same daily cable traffic, only ORE a little more; both receive the service agencies' attache reports; both study the same general problems of political

CONFIDENTIAL

CONFIDENTIAL

intelligence, and both consult from time to time on common problems. Hence the Operating Procedure may at best induce a change of emphasis and an elimination of the most obvious duplication of effort. It will hardly eradicate the parallel existence of two large intelligence shops, each concentrating essentially on the analysis of political and economic situations abroad. Only return to a genuine concept of departmental coordination on the part of CIA, with consequent abdication of the field of original political analysis, could accomplish such a result.

Historical Policy Research (RE)

Before ending the consideration of R's relations with other agencies, it is necessary to note that the Department maintains one division of research personnel entirely apart from Research and Intelligence. This is the Division of Historical Policy Research (RE) in the Office of Public Affairs. Its functions range from the preparation and publication of historical source books in American foreign relations to the writing of research papers on the history and development of US foreign policy with respect to a particular area or situation. It confined its studies solely to American policy, and does not attempt to pass judgment upon policy decisions in the past, or recommend particular courses of action in the future. Thus like R, it has not policy function. The distinction between RE's function and that of OIR lies in the fact that the former considers only American policy, while the latter considers the policy of foreign nations, or developments abroad which will influence these policies of other nations. Relations are cordial between RE and OIR, and the difference in their functions appears to be well understood on both sides.

CONFIDENTIAL

CONFIDENTIAL

Foreign Activities Correlation

With the Division of Foreign Activities Correlation (FE), as has been indicated from time to time in the foregoing discussion, the case is not so clear.

25X1

R is now anxious to acquire some of these functions to add to those already pursued, and it seems likely that some of them will be transferred. FE is much opposed to any such transfer, is antagonistic to R, and has fought the latter and its function almost since the beginning. It is likely that as long as FE remains in its present field, and as long as R is anxious to expend its functions, rivalry will remain between them.

CONFIDENTIAL

CONFIDENTIAL

not attempt to review the intelligence material produced by Research and Intelligence, and while certain items come to his attention, it is understood that he pays slight attention to them. He does from time to time solve administrative problems in connection with the "R" area, and his approval is required for any change in responsibility such as the recent shift of the Departmental Library to Mr. Armstrong's organization.

The Policy Planning Staff is the most senior policy echelon in the Department which appears to make use of the resources of the R and I staff. From time to time research projects are assigned to the staff by Mr. Kennan or his assistants, and some of the latter have indicated that Research and Intelligence reports have been markedly useful in the consideration of policy problems. They have also praised the OIR periodical reports of economic and political developments in the Soviet Union. On the other hand, they express some disapproval of the intelligence estimating activities of OIR, and suggest that these are better left to the political divisions. OIR, for its part, feels that its facilities are not efficiently used by the Planning Staff.

Political Information Committee

On roughly the same level as the Policy Planning Staff (i.e., in the Departmental Secretariat) is also to be found the Policy Information Committee. This agency, unlike the Planning Staff, is not a policy creating unit, but rather a policy reporting one; and to the extent that it reports policy developments and policy problems, it shares in the intelligence function of which a part is discharged by Research and Intelligence. Its chief duties are to be aware of all policy problems of the Department, and to keep departmental officials as well as heads of missions abroad, informed

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00265R000500050032-6

of these problems and the decisions made on them. To accomplish this it issues daily Top Secret and Secret summaries of current information, a special Top Secret summary for the President, and a weekly Information Review, which summarized important current developments by areas and indicates the Department's view toward them. Its functions thus to some extent anticipate the "action" intelligence undertaking which Research and Intelligence is anxious to begin; and because of the affinity of its work for the intelligence responsibility of R, the latter would ultimately like to take over the entire Policy Information responsibility. Any such change in organization is unlikely in the foreseeable future, however.

The views of the Political Policy Offices with respect to the utility, authenticity and relevancy of OIR material has already been reviewed at some length in Part II of this paper. It is unnecessary to repeat the details here, except to say that a universal feeling runs through the political offices that the department's research requirements would be better filled if research personnel were allocated to the various divisions rather than held in a separate and organization. In some instances OIR reports are given credit for assisting in the solution of policy problems (FE, EUR), but in others (NEA, and ARA to a much greater extent) their contribution is counted for very little. In addition, some personnel of ARA are vigorously opposed to the program of "research attaches" conducted by OIR.

The Economic Affairs and Transportation and Communication branches of the department are served less fully by OIR than are the political offices, and so have rather less to report than the latter. They indicate that they have had some useful and relevant reports from OIR, particularly economic

-42- **CONFIDENTIAL**

Approved For Release 2003/10/22 : CIA-RDP86B00265R000500050032-6

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00265R000500050032-6

studies in connection with DCA planning; but they suggest that OIR has been insufficient on which to base a general opinion. The Economic Affairs divisions conduct some research activities of their own, which supplement those of IFI in OIR.

The United Nations Affairs staff of the Department shares the general views of the political offices with respect to OIR. It detects an academic quality in OIR material and equally so in reports from ORE. This is the direct result of the dissociation of both agencies from first-hand acquaintance with United Nations activities, and from excessive reliance instead on written reports and analyses.

Impact on Department

Generally speaking it is true that OIR seems not to have made a very substantial mark on the policy offices and divisions of the Department. Considering the size of its staff, and the amount of money and material available to it, it might be supposed that the impact of OIR and OCD and of Mr. Armstrong's personal staff would be considerably greater than it is on the Department as a whole. That it is not is traceable to the early history of "R," when it was in effect imposed upon the existing structure of the Department; to the antagonisms created by Col. MacCormack during his brief tenure as head, and by the rather unsatisfactory results of the Russell Plan of organization, which placed a premium upon control through committee, never an effective form of administration. Subsequently, although Mr. Armstrong appears to be respected in the Department, there is no indication that he has adopted an aggressive policy of determining the actual impact of his organization on the Department. There is no indication that he provides substantive guidance of any consequence to OIR, or that his staff devotes much time to studying the utility and effectiveness of OIR products elsewhere

Approved For Release 2003/10/22 : CIA-RDP86B00265R000500050032-6

CONFIDENTIAL

CONFIDENTIAL

in the Department. He does not maintain much personal contact with office chiefs in the policy areas, or provide positive guidance as a result of the Under Secretary's staff meetings which he attends. A more determined effort to explain to the policy officers and particularly the foreign service officers of the Department precisely what OIR is in a position to do for them, and a constant vigilance to see that OIR, etc., actually performed as promised, might result in substantial gains in prestige.

As things now stand, the senior people of OIR and of Mr. Armstrong's staff assert that the status of Research and Intelligence "is improving" in the Department, and has gained much since the chilly days of 1946. Nevertheless, it is evident that the organization still has far to go to be accepted as a member of the State Department "family," and suggestions that 10 or 15 years be devoted to achieving such a status optimistically imply that the present agency can live that long under its present charter and guidance

-44-

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

Responsibility of Policy Officers

Yet for all the actual and implied criticism which can be levelled at Research and Intelligence, it should be made quite clear that all of its shortcomings are not its fault. Research does have a place in the State Department. Even the most critical of the geographical division officers agrees that this is true. Yet, this having been said, Research and Intelligence is often ignored, and its work deprecated.

This is not because OIR cannot produce adequate research material if given encouragement and the proper materials, but because in general the policy personnel of the Department have not themselves made as full use of its resources. Standing on their own dignity, with a parochial unwillingness to deal with new people or a new organization, distrustful of its security, and reluctant to see what could be made of the organization, the policy officers have been content to let Research and Intelligence waste its energies.

In its part, Research and Intelligence has not "sold" itself effectively. It has not made the most extensive efforts to convince policy people that the service it can render is a good and useful one, or to make certain that when the service is rendered it is as effective as Research and Intelligence can make it. Instead it has shown some willingness to retire to its own tent to sulk under the verbal blows of the remainder of the Department; and to sally out to capture new functions (such as FE) as a means of broadening its operations, and thus hopefully of improving its standing. Obviously, neither R nor the policy offices can solve the problem unless both wish to.

Some concrete suggestions have been made for bringing policy and

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

CONFIDENTIAL

Research closer together. One has been to assign Foreign Service officers who have the confidence of the geographical offices to R. Another is to place a tactful but determined individual at the head of R who can provide more leadership than the organization has at present. There is some consideration of changing the organization of R yet again, and of placing research back with the geographic offices. The official view of the Department at the present time, however, is that this can occur successfully only as a part of a much larger reorganization of the Department, which would unify all political and functional activities under four geographic heads at the Assistant Secretary level. Because of broad difficulties, not the least of which is the difficulty of securing the type of Assistant Secretary which would be needed by such a plan, this plan of reorganization has been postponed indefinitely. Whether Research and Intelligence can survive until such a plan is instituted, or until the policy officers of the Department have overcome their complacency and learned to accept the research function performed by a special staff, is not clear. There is some tendency to suggest that it cannot.

To consider further the relation of R with other intelligence agencies: The organization has no direct contact with the Joint Intelligence Committee or the Joint Intelligence Group. The latter approaches the State Department (in theory) only through CIA, and actually such contact as it has is with the policy offices rather than with Research and Intelligence. The latter is not represented on the JIG, and it is understood that termination of the Department's membership in 1947 was for security reasons, partially at least involving CIR.

The agency has likewise no direct contact with the Secretary of Defense.

CONFIDENTIAL

CONFIDENTIAL

or with the National Security Council, except insofar as it indirectly influences views of the Secretary of State on policy questions which affect the Security Council. Hence its contribution to national policies, insofar as it makes any, comes to bear at the Plans and Policies and the Political Office level of the Department, and is merged with many other influences in the Department before final policy proposals emerge.

Insofar as it may subsequently contribute to genuine national intelligence estimates of CIA, Research and Intelligence may influence national policy thinking through this medium. Since at the present time the "national estimates" of CIA are more exercises than they are effective contributions to policy consideration, Research and Intelligence can have little effect even here.

V. Personnel

This is one of the most difficult aspects of Research and Intelligence organization to assess. It is very easy to solicit decided opinion on both sides of the question, and very complex indeed to determine which view is correct and which is not.

Evaluation

As in all such problems, however, it seems most fair and most accurate to take a middle course, and to conclude that some personnel of R and I, and particularly of OIR, are very good, and that some are very indifferent. It is certainly true of both kinds of individuals that most of the OIR researchers and analysts are products of academic environments rather than of the foreign service or non-government activities giving them an acquaintance with and understanding of foreign parts. As such, however, as one

CONFIDENTIAL

CONFIDENTIAL

member of OIR has pointed out, the organization contains both very good academic products, and very poor ones, whose level of employment in the Department is considerably higher than it would be on a university campus or in private research establishments. In general, the attainment of the OIR division chiefs appears to be fairly high in most cases. On the other hand OIR suffers from inadequate personnel on the middle level, and low-level people are sometimes given projects which are out of their depth. The editorial supervisory people of OIR appear to be competent, but their view of the substantive analysts is not particularly flattering.

It is apparent that OIR is already experiencing difficulty in attracting first-rate analysts to accept employment with it, largely because of the uncertainty which attaches to the positions. At the same time there is a large reservoir of excellent youthful talent coming from the various regional foundations and institutes of certain universities. The supply of such young people is likely to outrun the demand, so that staffing on the junior level is not considered to be much of a problem.

To date, OIR has not attempted a training program as such, largely because most of its personnel were either former members of OSS R&A or were already political or economic researchers or analysts. Such a program may be increasingly necessary as new young talent is employed. There is no program for reserves, although with the passing of time this may be initiated. The "research attaches" attached to US missions abroad have the temporary status of foreign service reserve officers, which may make them available to OIR in the future. Arrangements are proceeding this year to establish permanent Civil Service status for OIR employees. This should be accomplished before the end of the year. Action of this kind will give

CONFIDENTIAL

CONFIDENTIAL

employees the ordinary job protection and continuity available to permanent civil servants elsewhere in the government.

It is less easy to speak with precision of the personnel in OLI, since their activities are less well known. It is true that they have not excited adverse comment either in OIR or elsewhere in the Department. Col. George R. Wearing, jr., the head of the office, is a rather bluff individual with broad Air Force intelligence experience. He seems well pleased with the level of efficiency and control maintained in his organization. His assistant, Frederick G. Kilgour gives the impression of being an efficient administrator intimately acquainted with the details of the office. Philip G. Strong is a former naval intelligence officer of considerable experience. Favorable things are heard of John H. Ottemiller and Moore Gates, chief of the Reference Center and the Biographical Information Division.

Security

A question appears to exist elsewhere in the department as to the security status of personnel attached to Research and Intelligence.. The derivation of the organization from OSS, RAA, the revelations of the Carl Marzani case, and suspicions of foreign-born analysts have given rise among policy officers to doubts as to the propriety of giving OIR access to policy matters. The effect is to strengthen the barrier between the policy areas of the department and the researchers of OIR. Research and Intelligence, like all other parts of the Department, has been subject to security checks by the Office of Administration, so that there is no obvious reason to believe that at this time it contains security hazards to any greater extent than other portions of the department which have been recruited since the war.

CONFIDENTIAL

CONFIDENTIAL**VI. CONCLUSIONS AND RECOMMENDATIONS**

Research and Intelligence is not a mechanical toy or a new drug product. It cannot be criticized for certain objective faults, and sent back to its maker for the correction of its defects. The Department of State, similarly, cannot be made over in a day merely to accommodate the research staff, which is a part of it. Research itself is not merely the product of a formula; and the use of research is not governed by organization or mechanics. Nor can Research and Intelligence of the Department be considered without reference to the whole intelligence structure of the Federal Government. What the State Department does in the field of intelligence and what ultimate responsibilities are assumed by Research and Intelligence are both, to some extent, consequences of basic decisions on the function of the Central Intelligence Agency. Thus, while we consider the Department, we are also considering CIA^(ORE) and any changes made in either place will affect the other. The reciprocal nature of the functions performed by the agencies makes it most difficult to isolate a particular defect of one agency and correct it alone, without reference to the others. Thus, we cannot expect to redefine the duties of research and intelligence in such a way that it is a product which will be instantaneously accepted and used by the State Department and will mesh snugly with CIA.^(ORE) We cannot change the foreign service of the United States over-night, or insist that foreign service officers having policy responsibilities in the State Department improve the tool of research in the solution to every problem which confronts them. In all likelihood, all that we can do is to discern certain failings in research and intelligence in the Department which are capable

CONFIDENTIAL

~~CONFIDENTIAL~~

of correction, and make certain recommendations which, if accepted and applied over a period of time, may serve to create a better atmosphere in the Department both for the production and research of materials. At the same time, it must be recognized that any such recommendations will affect CIA, so that their long-term consequences must serve this agency as well as the Department. In the light of these considerations, let us take up the outstanding problems of intelligence in the State Department:

(a) Organization.

Since its earliest days in the Department, the organizational structure of Research and Intelligence has been a matter for endless argument and counter-argument. It came as an independent organization; then its research analysts, were dispersed among the political offices so far as administrative control was concerned, and it was finally reunified in the present staff. As a separate organization, it is criticized by the geographical offices in the organization as being located physically in an out-of-the-way and inconvenient place. It is charged with too much preoccupation with its own research activities, which are irrelevant in terms of the policy officers, are not timely, and are academic rather than effective contributions to the consideration of policy problems. Research and Intelligence replies to such charges by saying that it is solely the fault of the political offices if research personnel are divorced from policy and are unable to integrate their work with policy problems to the fullest extent. Perhaps more important, they insist that only in a separate organizational structure can they have complete intellectual freedom in the production of intelligence, unswayed by the views or prejudices of the policy

~~CONFIDENTIAL~~

CONFIDENTIAL

officers. They consider that their physical separation from the geographical office, while inconvenient, is almost certain to exist under any kind of administrative arrangement because of the shortage of office space throughout the Department.

Just as the geographical offices are opponents of the present structure, research and intelligence opposes return to the "Russell Plan". They insist that when research analysts come under administration control of the policy officers, they promptly tend to lose their function as analyst and become merely extra personnel to assist in dealing with day-to-day policy matters. They lose whatever impartial approach they may have had to problems involving current policy and tend to become merely the mouth-pieces for policy concepts which have already been partly formed or partly executed. They have no greater awareness of actual policy problems under such an arrangement than they have had organized separately. In addition, the sharing of authority over the substantive research product between policy offices and the Intelligence Coordinating Staff, whose purpose was to maintain research standards and attempt unification of the research program, resulted in a chaotic condition in which the research analysts themselves could play one authority against the other and do in the end pretty much as they liked.

These are the terms of the debate between the research and the policy people. Elsewhere in the Department, the administrative officials charged with departmental planning now believe that any amalgamation of research personnel with geographical offices would be unsuccessful, since it would merely mean the final absorption of research and intelligence and would probably mean the end of research.

CONFIDENTIAL

CONFIDENTIAL

activity or even as an emphasized activity in the Department.

At the same time, they have a broad program for reorganization of the Department into geographical area groups headed by assistant secretaries. Part of this reorganization would involve the allocation of research personnel to such large area groups. The condition precedent to any such change, however, is the procurement of assistant secretaries who could insist upon the coordination of political and functional policy within the area group and who would also require the full utilization of research capabilities. The present office heads, while men of outstanding ability, are products of the foreign service tradition, ~~and tend to solve policy problems without recourse to the functional and research areas of the Department.~~ and tend to solve policy problems without recourse to the functional and research areas of the Department. It is thus unclear when the plan now being formulated will be adopted, so that we may expect Research and Intelligence to remain in its present structure at least for the near future.

In the light of the foregoing, it seems appropriate that the Survey Group should recommend the continuance of the present organization of Research and Intelligence, pending the reorganization of the Department along the lines just indicated. It should, however, suggest that the research function should ideally be situated close to its consumers ^{AND} ~~so that under any organizational change it would safeguard its~~ the integrity ^{if it is} ~~as such, which should be~~ brought into the policy areas of the Department and its present separate structure discontinued. Certain measures looking toward the greater utilization of research under the existing structure will be considered under the next heading.

CONFIDENTIAL

CONFIDENTIAL(b) Standing.

We have emphasized throughout this paper that Research and Intelligence enjoyed poor acceptance in the State Department at the time of its arrival, and has not succeeded in bettering its status to any very great extent up to the present time. If we recommend that Research and Intelligence retain its present organization, serious consideration must be paid to improving its standing in the Department, the prestige of its personnel, and the acceptance and use of its product. We may consider recommending to the Department the assignment of foreign service personnel having the confidence of the geographical office to Research and Intelligence. We may recommend that the Department place a more forth-right and insistent individual at the head of the organization, who will undertake to "sell" its product to the policy officers of the Department in a more determined manner than in the recent past. At the same time, any repetition of the McCormack imbroglio must be avoided. We may recommend that the Secretary and Under Secretary take a live and continuing interest in the extent to which research contributes to policy questions, and we may suggest that Secretarial ^{INFLUENCE} ~~confidence~~ be ^{USED} ~~improved~~ to admit research to such units as the Policy Planning Staff. We must recognize, and must also point out to the Department, that in the nature of things, the standing of Research and Intelligence can only be changed gradually, and that it depends not only on the effectiveness of the research staff, but also on the good will of the policy officers. The creation of such an atmosphere in itself is perhaps the most important contribution to improvement in the standing of the organization.

CONFIDENTIAL

CONFIDENTIAL

(a) Estimates.

Precisely what role research and intelligence should play in the production of estimates depends to a considerable degree upon our recommendations as to the structure and activities of CIA (OIR). If, as seems likely, we recommend that CIA engage solely in the production of genuine national estimates covering situations of broad significance ^{WITH} ~~and~~ clear implications toward the national security, and that these estimates should be produced on the basis of departmental contributions, we must probably insist that research and intelligence have some estimate-writing function. We must know, however, that this estimating function is most intimately connected with the constant "objective estimating" which is a valid and connected function of policy officials so that any estimates prepared by, for example, OIR for CIA must have the explicit approval of the appropriate policy officials. By the same token, any estimates prepared for their own purposes, or for extra-departmental use, by the geographical or policy planning staffs should be integrated with any similar estimates being prepared ^{FOR} ~~by~~ CIA ^{BY} ~~for~~ Research and Intelligence. We must recommend that the Department accept a responsibility toward supplying CIA with such estimates, and propose that the allocation of this function to Research and Intelligence should be accepted as proper and legitimate throughout the Department. While making this recommendation, we should recognize that we are, in a sense, short-circuiting the estimate-producing function by recommending that Research and Intelligence estimates be cleared by the policy officials of the

CONFIDENTIAL

CONFIDENTIAL

Department. In theory, these estimates are to serve the very officials who contribute to their preparation, so that the system breaks down. At the present time, there seems to be no way out of this impasse, and it seems likely that it is a basic consequence of the State Department structure which cannot be changed by our recommendation.

(d) Research.

We should confirm the assumption of the Department that the most proper function of Research and Intelligence is the preparation of detailed factual studies without color or prejudice, which will contribute to the background of information on the basis of which policy decisions are made. We should recommend that OIR have fuller access even to the most sensitive departmental material and that it have full support of the Department in obtaining materials from other agencies which are clearly necessary to the discharge of its proper function.

(e) Current Intelligence.

As now recognized, Research and Intelligence should not attempt to conduct any current intelligence operation. The Department is already sufficiently and effectively served in this field by the Policy Information Committee and by the current intelligence materials produced by CIA (ORE). Any additional operation of this sort would be superfluous and probably confusing. We should not, incidentally,

CONFIDENTIAL

CONFIDENTIAL

recommend that Research and Intelligence take over the function of the Policy Information Committee. The latter is a competent, efficient staff now operating very successfully in a limited area.

We should emphasize that research is not an end in itself. Its only utility is when it is employed as a tool by policy officers in the solution of their problems. Hence a serious obligation rests upon them to make use of this device in the fullest and most effective way. By the same token, they must realize that part of the responsibility for irrelevant or improperly formulated research rests with them for not having made known their requirements with precision in advance.

(f) Relation with ORE.

As indicated in the foregoing, Research and Intelligence will probably have to assume a responsibility for producing politico-economic and sociological estimates at the request of ORE for the inclusion in the latter's national estimates. The relation of the two agencies should be reorganized on this basis and the present rivalry and bickering eliminated. A nicer definition of ORE's function will probably mean a considerable reduction in its staff. The ablest of these people should be employed by Research and Intelligence and CIA should support allocation of funds for this purpose. The present problem of concurrence should become a nullity as Research and Intelligence is supplying estimates to CIA in the outset. Hence there should be no question of constant criticism of each other's product. ORE, for its part, should attempt to strengthen Research and Intelligence in every way possible, while relying upon it for substantive intelligence contributions.

CONFIDENTIAL

CONFIDENTIAL

(g) Security Intelligence.

This is the question of the allocation of security intelligence and pure security tasks now performed by the Division of Foreign Activities in Correlation to Research and Intelligence. We should recommend that Research and Intelligence not attempt to engage in this field except to a limited extent. It should have access to security intelligence ^{research} information which it positively needs to discharge its function. It may assume general supervision of certain liaison arrangements between FC and departmental agencies with which "R" already has large liaison contacts. It should not attempt to intervene in working contacts between FC and departmental agencies and should not raise itself as a barrier between other divisions of the Department and these agencies. It has been assigned certain duties in connection with approving covert arrangements in CIA covert missions and should have the cooperation of FC in carrying this burden. Research and Intelligence should eschew, both in intention and in fact, any effort to increase its domain at the expense of FC merely for the prestige involved.

(h) Library Functions.

So far as we are able to determine, the conduct of the departmental library under OLI is satisfactory. We may, perhaps, safely recommend the transfer of subordinate libraries to OLI for a consequent centralization of reference research in that office.

(i) ^{RESEARCH} Legal Attaches.

Although this organization has been warmly criticized by policy officers, it probably has some validity as a new concept of information

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

collection abroad. * We may suggest that an effort be made to demonstrate the value of research attaches elsewhere in the Department by showing the reports which they have prepared and point out their value in some detail. We should approve the present functions of publication and mass collection attaches.

(j) Security.

It seems probable that Research and Intelligence is more sinned against than sinning in respect to security of ^{its} personnel. The administrative officials of the organization appear to have taken security questions very seriously and the Department itself is conducting a house cleaning. These matters seem to be well ordered and we should not attempt to add to the doubts which now exist, probably improperly, with respect to security in this staff. At the same time, we may recommend that the organization use extreme care in reviewing the qualifications of new employees.

(k) Budget. We must recognize that Research and Intelligence is regarded as expendable by the rest of the Department in matters of finance. We should watch against this tendency becoming more pronounced than it has in the past and should recommend most vigorously that the Department make provision that Research and Intelligence has adequate funds for the legitimate functions assigned to it. These should include estimate writing as well as a research program, and the latter should be backed by all the resources of the Department at Congressional hearings. We may

CONFIDENTIAL

-59-

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

CONFIDENTIAL

* Insert:

We should favor its continuance, although we should emphasize that it should not be an extensive activity at any one time and should be most carefully defined so as not to interfere with the normal demands made upon foreign service officials abroad.

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

observe that the Department has not appeared to make the most effective presentation of Research and Intelligence needs to Congressional committees and it may be appropriate to urge that "R" sell itself with greater enthusiasm when the 1950 budget is under consideration.

(1) Personnel.

We may observe that Research and Intelligence has a number of people of high qualifications, but has numbers of persons of rather modest talents in its medium brackets. If, as indicated earlier, OIR releases personnel, we may recommend that OIR attempt to attract the most competent of these. In the meanwhile, attention should be directed to a long-range program calculated to improve the quality of research personnel attached to the agency. We may give our approval and encouragement to proposals for a sort of "research" training system which would encourage youthful products of graduate schools to spend ^{or more} one/year with Research and Intelligence before taking up teaching or other professional duties and ~~the~~ would serve as a permanent reserve of talent for this organization and perhaps also for departmental intelligence agencies. We may wish to make some general proposal of this nature with respect to CIA and the intelligence agencies generally. We should point out that improvement in the standing of the organization and stabilization of its organizational structure will both serve to attract superior individuals to the organization.

CONFIDENTIAL

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

25X1

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6

Next 19 Page(s) In Document Exempt

Approved For Release 2003/10/22 : CIA-RDP86B00269R000500050032-6